

REMARKS

At the Examiner's request, Applicant includes a copy of the Information Disclosure Statement originally filed on August 18, 2003 with the annotation "Resubmission: Do Not Enter".

In addition, Applicant is also preparing for submission two new Information Disclosure Statements including additional references. One of the Information Disclosure Statements includes references subject to a protective order, and will therefore be filed in accordance with the provisions of MPEP 724.

Claims 1-8 are pending in this application. The Examiner rejected claims 1-8 under 35 U.S.C. 102(b) based upon a public use or sale of the invention.

The Examiner identifies the allegedly anticipating public use or sale as a "joint venture between Harrah's properties of Reno and Tahoe," referring an article by Olson. Based on other references disclosing various known casino practices, the Examiner infers that the "joint venture" made use of these practices in the manner claimed in the pending application.

The Examiner has drawn incorrect inferences about the systems implemented respectively at Harrah's in Reno and at Harrah's in Lake Tahoe. First, the record does not support that the "joint slot club" was a public use or sale of any computer system at Harrah's in Reno or Harrah's in Lake Tahoe.

Whether a patentee's use (or the Applicant's use in this instance) of its own system qualifies as a public use depends upon two factors: (1) the extent to which the applicant retained control over the use of the system, and (2) the extent to which the invention is commercialized. *Moleculon Research Corp. v. CVS, Inc.*, 793 F.2d 1261, 1265-66 (Fed. Cir. 1986); see *Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F.2d 544, 549-50 (Fed. Cir. 1990). When an asserted piece of prior art is not that of the patentee, Section 102(b) is not a bar when "that prior use or knowledge is not available to the public." *Woodland Trust*, 148 F.3d at 1371. As set forth below, the systems implemented at Harrah's in Reno and Harrah's in Lake Tahoe were custom-tailored by Harrah's for those properties. Harrah's personnel maintained control of these systems at all times, and knowledge of the operation of the systems was not available to the public.

Moreover, even assuming there was a public use of a player tracking system or systems at Harrah's in Reno and Harrah's in Lake Tahoe, the Examiner's assumptions of the operation of those systems is not sufficient to establish anticipation under Section 102. Rather, the system that actually was in public use must contain each and every limitation of the pending claims. 35 U.S.C. § 102(b); *Tec Air, Inc. v. Denso Mfg. Mich. Inc.*, 192 F.3d 1353, 1358-59 (Fed Cir. 1999). No such system as described by the Examiner was ever in public use at Harrah's in Reno and Harrah's in Lake Tahoe.

The Harrah's "joint slot club" described in the Olson article was implemented at Harrah's Casino in Reno and Harrah's Casino in Lake Tahoe in the mid to late 1980's. October 14, 2002 Deposition of Tracy Austin ("Austin tr." tr. p. 35, lines 6-14; August 2, 2002 Deposition of Tim Slater ("Slater tr.") p. 180, lines 10-20. This system was referred to by Harrah's personnel as Celebrity Circle. *See id.*; Slater tr. P. 11, lines 5-14. Celebrity Circle was a slot monitoring system run on a local area network at an individual casino property. Austin tr. p. 35, lines 15-18. Harrah's personnel worked with EDT to install one copy of the system at Harrah's Reno, as well as a second copy at Harrah's Lake Tahoe. Austin tr. p. 35, line 19 – p. 36, line 9. Harrah's customers who joined the Celebrity Circle program obtained a membership card that was recognized at both Reno and Tahoe. Austin tr. p. 41, lines 7-15. Harrah's customers accumulated points in their Celebrity Circle account based on the amount of coins they put into a slot machine. Austin tr. p. 35, line 19 – p. 36, line 4. However, the Celebrity Circle system did not calculate theoretical win for the customer's play. Austin tr. p. 41, line 16 – p. 42, line 1; Slater tr. p. 16, line 16 – p. 17, line 1.

If a customer earned points at Tahoe, that information would be sent, via modem, to Reno. Austin tr. p. 36, lines 12-16. However, the customer's points were not accumulated as a single point total. Austin tr. p. 37, lines 10-14; *see* Slater tr. p. 17, line 19 – p. 18, line 2. Harrah's customers could redeem their points for gifts out of a catalogue. December 13, 2002 Deposition of Jeffrey L. Doege ("Doege tr.") p. 15, lines 11-17; Slater tr. P. 34, lines 2-5. Contrary to the Examiner's assumption based on reading the Olson article, the customers could

not redeem points for complimentaries, such as a "whiskey sour or Wayne Newton appearance [or] rooms, shows, drinks, [or] special players' banquets." *See id.*

Accordingly, the Examiner's statement that "the joint venture between Harrah's properties at Reno and Tahoe demonstrated at least a prior public use of a computerized network player tracking system that accumulated identified player wagering activity on player tracking cards and/or server database (presumably based on at least average wager as stated above) whereby player wagering activity was saved in a database and data transferred/shared between the joint venture casinos ... for providing comps to players who wagered at the casinos in the joint venture based on cumulative wagering data between the casinos in joint venture" (Office Action p. 3-4) is inaccurate in multiple respects. As described above, the systems at Harrah's in Reno and Harrah's in Lake Tahoe only recorded points based on coin in, not theoretical win based on "average wager." The points were not accumulated as a single total. Moreover, the points were not redeemable for complimentaries or services. Thus, the systems installed at Harrah's in Reno and Harrah's in Lake Tahoe are no more relevant to the claimed invention than the other references previously cited.

The Examiner's next assertion, that Martinez, Renneisen, Wolff, or Tracy show the "use of player activity ... to determine a theoretical or expected win profile" also overstates the disclosure of those references. Each of those references only shows the calculation of a theoretical win for an individual gaming session. *See* Martinez, p. 67. None of the references even hints or suggests at accumulating customer betting data across a plurality of casino properties to generate a theoretical win profile, as described and claimed in the pending application.

The Examiner also relies on an unidentified version of the "EDT Slot Management System," based on an alleged identification of an EDT system in the Olson article. As an initial matter, the Olson article does not state or imply that an EDT Slot Management System was used at Harrah's in Reno or Lake Tahoe. Olson, p. 19. Nor does the Examiner identify which EDT "Slot Management System" on which he bases his rejection.

In any event, as described above, the system used at Harrah's in Reno and Harrah's Lake Tahoe was the Celebrity Circle System; the EDT Standard System described in the references disclosed by applicants and purportedly referred to by the Examiner did not exist at the time the systems were installed in Harrah's Reno and Harrah's Lake Tahoe. *See* EDT Standard System Version 2.0 User's Guide (05/15/92) at HARS 019530.

Moreover, the EDT Standard System *did not calculate or record a theoretical win*, much less generate a theoretical win profile based on customer betting data from a plurality of casino properties. Rather, according to the manuals for EDT Standard versions 2.0 and 2.0.3 (the "Standard manuals"), EDT Standard included two software modules: a slot information system ("SIS") module that monitored slot machine functions such as coin-in, coin-out, handle pull, jackpot, etc, and a player tracking system ("PTS") module. *See id.* at HARS 19530, 19542. These modules monitored slot machine functions and tracked a customer's slot machine play at a single casino, respectively. *See, e.g., id.* at HARS 19539-42. As the manuals for the EDT Standard System illustrate, that system did not track or record a customer's theoretical win from betting activities at a casino. *See id.* at HARS 19619.

Thus, for the reasons stated above, Examiner's conclusion, based on the combination of Olson, the background art, and the EDT system, that "it appears, there may have existed a public use for a system for tracking each customer's ... activity at a plurality of casinos using customer accounts ... with the method comprising the claimed steps" is not correct.

Applicant notes that, in the pending litigation regarding the '647 parent patent, defendants have asserted that the claims of that patent are obvious in view of two other systems installed at Harrah's in Reno and Harrah's in Lake Tahoe. Specifically, the defendants have alleged that the claims of the '647 parent patent are obvious in view of two direct marketing systems: the Northern Nevada Marketing System and the Interim Patron Database ("IPDB").

Between 1991 and 1992, Harrah's began developing for its internal, back-office use a marketing system that would include customer data from its Reno and Lake Tahoe casino properties. This became known as the Harrah's Northern

Nevada Marketing System ("NNMS"). November 1, 2002 Deposition of William L. Burtch ("Burtch tr.") at p. 15, lines 15-16. This marketing system was not a player tracking system; rather, as its name implies, the NNMS was a direct marketing system developed for use by the marketing departments at Harrah's Reno and Harrah's Lake Tahoe casino properties.

Marketing systems, such as the NNMS (and IPDB described below), are disclosed in the present application as marketing support server 114. *See* Application pp. 6-7. As described therein, a marketing support server is coupled to the central patron database. This marketing server includes data from the central patron database, but stored in a manner that facilitates its use for marketing systems. Application at p. 7. The marketing support server allows the marketing department to determine eligibility for promotional mailers and other marketing programs. *Id.* This type of marketing system is clearly distinguished in the pending application from the claimed systems that provide for tracking customer play at a plurality of casino properties, and providing complimentary to the customer at the casino property.

The NNMS marketing system resided on computers and terminals in the private offices of Harrah's, with no contact with or involvement by members of the public. Harrah's marketing departments used the NNMS as a data warehouse to compile information regarding players in order to determine a player's eligibility for offers and promotions (mailers) and for invitation to special events or parties at the Reno or Tahoe casino properties. Lee tr. at 48:23-49:20; NNMS Project at HARS 058209; IPDB Specifications at HARS 010146; *compare with* Application p. 7 ("In the preferred embodiment of the invention, marketing support server 114 includes customer data from CPDB 220 stored in a manner that facilitates its use for marketing purposes. For example, customer data may be sorted and stored in server 114 according to customer groups segmented by profitability, principal gaming location (property), or other marketing criteria."). Specifically, the NNMS was used for "list generation, list management, and campaign event and invitation by property." Regional Database Mktg. System Specifications at HARS 058431.

The NNMS extracted customer information from the casino management systems at Reno and at Tahoe on a nightly basis. NNMS Technical Documents at HARS 057858. The extracted customer information included name, address, demographic information and player comping information, including a property specific theoretical win. NNMS Project Background at HARS 058193. All customer play information for the NNMS was stored and displayed separately by property, as illustrated by the "player rating" display on the Direct Marketing Inquiry screen. NNMS Technical Documents at HARS 057927; NNMS Project Background at HARS 058195. Information relating to a customer's betting, such as theoretical win, was also stored separately by property. NNMS Project Phases & DB Changes at HARS 058203; NNMS Technical Documents at HARS 057883.

The NNMS included a "Direct Marketing Inquiry screen" that allowed the marketing department to view information relating to a customer. The Direct Marketing Inquiry screen reflected that the customer information was stored and displayed separately by property. It did not combine customer betting information in the database or on screen. NNMS Technical Documents at HARS 57883-85, HARS 57908-11, and HARS 57927. Indeed, the design specification for the NNMS stated very specifically such data must be "Store[d] by property" and "do not total for the region." NNMS Project Phases & DB Changes at HARS 058203; Burtch tr. at p. 58, lines 6-10.

The NNMS, as a marketing system, was not used to determine complimentaries or services to be awarded to customers. Burtch tr. p. 65, line 8- p. 66, line 7. The NNMS "Guest Inquiry" function was used by Harrah's for testing and verification purposes; no one except Information Technology and Marketing personnel had access to this function. Marketing would only occasionally use it to verify why a particular customer did not receive an offer to a certain event. Lee tr. at p. 54, line 17 - p. 55, line 20, p. 64, line 6 - p. 65, line 1, p. 65, line 17 - p. 66:3.

Moreover, the NNMS did not generate a theoretical win profile based upon a customer's betting data from a plurality of casino properties. See NNMS "As Is" Business Processes at HARS 014424. Indeed, as contemporaneous documents describing the operation of the NNMS state, the NNMS did not


contain consistent, accurate information on which to base decisions such as cross-property comping (IPDB Proposal at HARS 059629; Memo re Existing Harrah's Systems at HARS 0022076). Further, Harrah's employees did not use the NNMS for providing complimentaries to customers. Memo re Regional Database Mktg. Project at HARS 58484; Doege tr. at p. 21, line 12 – p. 22, line 3. Thus, the NNMS, like the art described above, does not anticipate or render obvious the inventions claimed in the pending application.

Harrah's Interim Patron Database ("IPDB") was a direct marketing system modeled after the NNMS (and also was not a player tracking system). Burtch tr. at 114:2-18. It was also strictly private with no public use. The Harrah's corporate marketing and Joliet marketing departments used the IPDB as a data warehouse to compile information regarding customers in order to determine a customer's eligibility for offers and promotions (mailers) and for invitations to special events or parties. Doege tr. at 68:8-18; Lee tr. at 38:24-39:10. As described above in connection with the NNMS, the IPDB did not generate a theoretical win profile based upon a customer's betting data at a plurality of casino properties, nor was the IPDB used to provide complimentaries to customers. *See* Lee tr. at p. 54, line 17 – p. 55, line 20, p. 64, line 6 – p. 65, line 1, p. 65, line 17 – p. 66:3. Thus, the IPDB does not anticipate or render obvious the inventions claimed in the pending application.

In view of the above amendments and remarks, the Examiner is asked to issue a speedy Notice of Allowance allowing all claims now pending, claims 1-8. The Examiner is also invited to contact the undersigned attorney by telephone to discuss any outstanding matters requiring attention prior to allowance.

Respectfully submitted,
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